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R. J. REYNOLDS SYRACUSE N. Y.

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# Minimum Prices for Standard Brands

Based on Manufacturer List Price  
\$14.22 for Regular and King Cigarettes  
\$14.52 for 100mm and 120mm Cigarettes

1464  
- 0105  
7520  
1464  
27965  
1166  
22  
- 1456

## Prices for New York State (outside of New York City)

Type of Sale	Percent Markup	Minimum Sale Price Per Carton*	
		Regular and King Size (agent's basic cost = \$15.12)	100 and 120mm Size (agent's basic cost = \$)
Agent to wholesale dealer	7/8%	\$15.23	\$15.59
Agent to chain store	1 1/2%	15.40	15.70
Agent to retail dealer	3 7/8%	15.63	15.14

## Prices for New York City

Type of Sale	Percent Markup	Minimum Sale Price Per Carton*	
		Regular and King Size (agent's basic cost = \$15.52)	100 and 120mm Size (agent's basic cost = \$11)
Agent to wholesale dealer	7/8%	\$15.69	\$15.39
Agent to chain store	1 1/2%	15.81	15.51
Agent to retail dealer	3 7/8%	15.90	15.97

\* Minimum prices listed are for standard brands and standard packages (200 per carton, 20 per pack).

## Computation of Minimum Cigarette Price

Basic cost of cigarettes means the invoice cost of cigarettes to the agent who purchases from the manufacturer, or the replacement cost of cigarettes to the agent, in the quantity last purchased, whichever is lower, less all trade discounts, except discounts for cash, to which is added the full face value of any stamps that are required by law. (The federal excise tax is included in the invoice cost of cigarettes from the manufacturer.)

The cost of the agent means the basic cost of cigarettes (as defined above) plus the cost of doing business by the agent. Unless otherwise substantiated, the cost of doing business by the agent is presumed to be:

- 7/8% of the basic cost of cigarettes for sales to wholesale dealers;
- 1 1/2% of the basic cost of cigarettes for sales to chain stores, and
- 3 7/8% of the basic cost of cigarettes for sales to retail dealers.

Note: The selling price of cigarettes sold by one licensed cigarette agent to another, where the cigarettes are either picked up at the seller's warehouse or delivered to the purchaser's warehouse, is not required to include the cost of doing business by the agent but may not be less than the basic cost of the cigarettes.

If an agent sells cigarettes to a chain store with 15 or more outlets, excluding vending machine operators, and if cigarettes are delivered to a central warehouse owned and operated by the chain store, and the chain store delivers the cigarettes to its outlets, the agent's selling price is not required to include the cost of doing business by the agent (i.e., the agent's presumptive 1 1/2% minimum markup is not required).

A licensed agent who sells cigarettes at retail is considered to be a CMSA retail dealer and the cost of the agent will be the same as the cost of the CMSA retail dealer. (See Form CG-43.1, *Minimum Retail Cigarette Prices*, for details of minimum retail pricing).

In determining the prices for nonstandard brands, remember that an agent may not sell cigarettes to wholesale dealer (as defined in CMSA) below the basic cost of cigarettes plus 7/8%. An agent or wholesale dealer may not sell cigarette to a registered chain store below the basic cost of cigarettes plus 1 1/2%. An agent or wholesale dealer may not sell to retail dealer below the basic cost of cigarettes plus 3 7/8%.

Anyone selling at a price less than that allowed for sales to a retail dealer must have on file proof that the customer is eligible for the lower purchase price. This would include either a copy of the customer's wholesaler dealer license, or certificate of chain store registration.

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## STATE MINIMUM PRICES FOR EXTRA VALUE.

EXTRA VALUE LIST PRICE - 8.49

OFF INVOICE 1.50

6.99

STATE EXCISE TAX (N.Y.) 5.60

12.59

AGENT TO CHAIN STORE

$$12.59 \times .015 = .18885$$

~~X VALUE~~

12.59

+ .19

\$12.78

$$12.78 \times .07 = .8946$$

12.78

.90

13.68

per carton

1.37 per pack

Final retail  
minimum

AGENT TO RETAILER

$$12.59 \times .03875 = .4878675$$

12.59

.49

\$13.08 cost to

$$13.08 \times .07 = .9156$$

13.08

.92

14.00 per carton

1.40 per pack

Final retail  
minimum